

**Iraq projects may push oil output to 12.5m bpd****gulfnews.com**

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Four refineries will be built at cost of \$23b

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**GULF NEWS**

Abu Dhabi: Iraq's oil production may rise to more than 12.5 million barrels a day (bpd) from about 2.4 million bpd by 2017 if things proceed as per plan, Iraq-based Rabee Securities said in a research report.

"This growth in oil production will depend on the speed of the investments," the report said.

"Nobody believes Iraq would stick to those targets. However, of the new crude oil production capacity coming on stream in the next few years, nearly half of it will come from Iraq. The question is how much more can Iraq produce," Kate Dourian, Middle East editor for Platts, a global energy information provider, told Gulf News.

Iraq, with its central location, is strategically located in the Middle East and shares its borders with six countries, most of which are experiencing rapid growth and/or have significant cash to invest.

In a bid to develop its petroleum industry, Iraq's Oil Ministry announced in June 2010 that it planned to boost the country's refining capacity to 1.5 million bpd in the next five years by building four new refineries and overhauling existing ones. The country plans to become self-sufficient and begin to export refined products as a result of these investments.

**Refinery investments**

"The planned new refinery investments will be made in in Nassiriya, southern Iraq (capacity: 300,000 bpd), Kirkuk, northern oil city (capacity: 150,000 bpd), Maysan, in the south (capacity: 150,000 bpd) and in Karbala (capacity: 140,000 bpd).

According to Opec's website, Iraq currently has eight refineries with a total capacity of 659,000 bpd while producing about 453,000 bpd of refined products and consuming 589,000 bpd.

The estimated cost of building the four new refineries which will add around 740,000 bpd of refining capacity is expected to be around \$23 billion (Dh84.4 billion). These new refineries will be awarded through tenders and they will be either wholly privately owned or public-private joint ventures.

The report said more than 90 per cent of Iraq's revenue is obtained from oil.

In addition to the planned investments in the oil sector, the Oil Ministry is planning to arrange an auction of three gas fields in Akkas, Mansuriya and Siba.

Last year Iraq announced its new estimate of national crude oil reserves at 143.1 billion barrels, which is 24 per cent higher than the previous estimate of 115 billion barrels in 2001.

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**Fleet launched**

Leighton Offshore yesterday launched the newest edition to the fleet, the Leighton MPV-1 cable lay vessel, at the Al Jazeera Port in Ras Al Khaimah.

The MPV -1 will be mobilised to undertake the cable lay scope of the \$799 million (Dh2.9 billion) Phase 1 Iraq Crude Oil Export Expansion Project (ICOEEP) currently under way.

The MPV-1 will also work on the \$518 million Sealine project recently awarded to Leighton by Iraq's South Oil Company (SOC).

Leighton Offshore Chief Executive Officer Peter Cox said, "We are continuing to build Leighton Offshore as an integrated EPCIC and life of field services contractor. Building our fleet capability is an integral part of that growth."